GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1372
ANSWERED ON:02.03.2001
LOANS UNDER DRI SCHEME
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Will the Minister of FINANCE be pleased to state:

(a) whether Public Sector Banks are required to lend minimum of one percent of theiraggregate advance to the poor and the SCs and STs under Differential Rate of Interest (DRI) scheme;

(b) if so, the advances made by each public sector banks under this scheme during the last three years;

(c) the names of the banks, who have not achieved their target;

(d) the reasons for not achieving the target; and

(e) the remedial measures taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH):

(a) Yes, Sir. Under DRI scheme, introduced in 1972, bank-wise targets are fixed and banks are required to lend 1% of their aggregate advances outstanding as at the end of the previous year.

(b) The bank-wise details of advances outstanding and percentage of DRI advances tototal advances for the last three years are indicated in the statement enclosed.

(c) and (d) All the banks are not able to fulfill the target, as the DRI scheme is aninterest subsidy scheme whereas subsequently several Government sponsored capital subsidy scheme such as Swarnajayanti Gram SwarojgarYojana, Prime Minister`s Rozgar Yojana, Swarnajayanti Shahari RozgarYojana, Scheme of Liberation & Rehabilitation of Scavengers have been introduced which offer higher quantum of loan amounts and larger capital subsidies and are more attractive for borrowers.

(e) With a view to improve the lending under DRI scheme, the Reserve Bank of India hasurged all Public Sector Banks to re-emphasise an urgent need for concerted efforts to improve the performance in implementation of the scheme. The banks have been asked to take immediate steps to improve the banks` performance of disbursal of loan under DRI scheme.